

KELLEY DRYE & WARREN LLP

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NEW YORK, NY
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BRUSSELS, BELGIUM

AFFILIATE OFFICES
MUMBAI, INDIA

WASHINGTON HARBOUR, SUITE 400
3050 K STREET, NW
WASHINGTON, D.C. 20007-5108

(202) 342-8400

FACSIMILE
(202) 342-8451
www.kelleydrye.com

STEVEN A. AUGUSTINO

DIRECT LINE: (202) 342-8612
EMAIL: saugustino@kelleydrye.com

March 25, 2016

VIA ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: Notice of *Ex Parte* Presentations, TruConnect
Lifeline and Link Up Reform and Modernization, et al.
WC Docket Nos. 11-42, 09-197 and 10-90

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, the undersigned counsel hereby provides notice of the following presentations by TruConnect ("TruConnect")¹ concerning the Second Further Notice of Proposed Rulemaking and proposals to modernize and restructure the Lifeline program.² On Tuesday, March 22, 2016, TruConnect met with Rebekah Goodheart, legal advisor to Commissioner Mignon Clyburn; and Amy Bender, legal advisor to Commissioner Michael O'Rielly. On Wednesday, March 23, 2016, TruConnect met with Travis Litman, legal advisor to Commissioner Jessica Rosenworcel; Nicholas Degani, legal advisor to Commissioner Ajit Pai; Gigi Sohn, Stephanie Weiner and Eric Feigenbaum of the office of Chairman Tom Wheeler; and Trent Harkrader, Jay Schwarz and Chas Eberle of the Wireline Competition Bureau. In attendance on behalf of TruConnect were Steven A. Augustino and

¹ TruConnect is the common brand name used by affiliated companies Telscape Communications, Inc., Sage Telecom Communications, LLC and TruConnect Mobile, Inc.

² See *In the Matter of Lifeline and Link Up Reform and Modernization, et al.*, WC Docket 11-42, et al., Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, FCC 15-71 (rel. June 22, 2015) ("Second FNPRM").

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Jennifer R. Wainwright³ of Kelley Drye & Warren LLP, Robert Yap, President of TruConnect, and MyLoc Dinh, Associate General Counsel and Senior Director of Government Affairs for TruConnect.

During the meetings, TruConnect discussed its support for expanding the Lifeline program to include broadband services. TruConnect also discussed its history of providing broadband services to lower-income consumers, and discussed the broadband services that are provided to Lifeline wireless subscribers in California because of the additional state subsidy. TruConnect also described its Internet-On-The-Go prepaid personal hotspot device offered at WalMart stores, which could be offered as an option to Lifeline subscribers if the Lifeline program is expanded to cover broadband services.

TruConnect stated that it would not be possible to continue to provide Lifeline service on economical terms at the minimum service levels identified in the “fact sheet” released on March 8, 2016. TruConnect stated that if it were required to provide service at those minimums, it would be unable to offer a free-to-the-end-user service and likely would need to charge undiscounted rates for devices, both of which would cause a large number of low-income consumers to cancel service due to an inability to pay up-front or monthly fees. TruConnect recommended that the FCC not impose minimum service standards above 500 minutes for voice-only service or 500 MB of data per month for broadband only service, and that the Commission enable ETCs to offer flexible bundles of voice and broadband services in “mix and match” increments chosen by the carrier, subject to a minimum number of total “units” (of minutes, texts or data) (e.g., 250 units of talk/text and 250 MB of data). TruConnect stated that minimum service levels **above** 500 minutes for voice or 500 MB for data would exceed its total costs of providing service. TruConnect objected to the rapid increase of data minimum standards over the next few years due to the uncertainty of future data costs. In the alternative, TruConnect suggested that the Commission revisit data increases if and when the National Verifier system is launched, when the cost savings from the National Verifier system would presumably be known and realized, and more information would be available regarding then-current data costs.

TruConnect emphasized that the minimum service levels should be set at a baseline “access” level, and not presume that low-income consumers desire or can afford a set amount of data or voice service per month. TruConnect stated that its “pay as you go” packages offer significant flexibility to consumers, allowing them to top up their service (in increments as low as \$5) when they are able to do so, or need to do so, without committing them to make monthly payments. TruConnect discussed its various service plans and data top up offerings, which are described in the attached documents.

³ Ms. Wainwright was not present during the meetings with Mr. Litman and Mr. Degani.

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TruConnect argued that the FCC's minimums similarly should be set at a level that allows for as-needed increases in service, but doesn't commit the consumer to a payment that he or she likely cannot afford every month. If the minimums were set as a baseline only, not as the "average" or "comparable" service used by consumers committing to set monthly charges, then consumers will remain connected – and retain access to 911 and other vital communications – even when they lack the cash for a top up in a particular month. If the Commission sets the baseline at a point that a monthly fee is required, significant numbers of low-income consumers will "bounce" on and off the program, depending upon short-term cash capabilities. In short, many low-income consumers would be unable to afford to participate in the low-income program.

Further, the company discussed the equipment that it provides to consumers. Under current federal rules, TruConnect has a limited expectation that a Lifeline customer will remain with the company long enough to recoup device costs, which acts as a deterrent to its ability to offer advanced devices (such as those with Wi-Fi or hotspot capabilities) for free or at affordable cost. In order to provide greater predictability in a customer's initial term of service, and thereby promote more robust broadband-capable equipment, TruConnect recommended that the Commission approve an optional 12-month port freeze that Lifeline customers may elect to agree to. TruConnect noted that such a port freeze would operate similarly to the way that minimum term commitments operate in other CMRS services, providing the customer with additional choices and more capable devices in return for making a commitment to a service provider for a specified time period.⁴

Finally, TruConnect discussed the long-pending petition it filed (under Sage Telecom Communications) for designation as an ETC in the federal default states and urged the Commission to promptly review all pending petitions upon the effective date of the new rules. The current backlog limits competition in those states administered by the FCC and harms low-income consumers in the process.

⁴ TruConnect supported exemptions to the 12-month port freeze when a consumer moved outside of the service provider's authorized territory, moved to a location with insufficient coverage or ceased to be eligible for Lifeline service.

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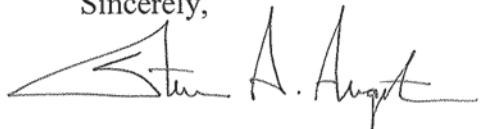
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The attached handouts were distributed during the meetings.

Sincerely,



Steven A. Augustino

Counsel for TruConnect

cc: Rebekah Goodheart
 Amy Bender
 Travis Litman
 Nicholas Degani
 Gigi Sohn
 Stephanie Weiner
 Eric Feigenbaum
 Trent Harkrader
 Jay Schwarz
 Chas Eberle



truconnect[™]

TruConnect Communications

Meetings on the Lifeline Modernization FNPRM

March 22-23, 2016

KELLEY DRYE

Company Background

- TruConnect (f/k/a Telscape Communications) and its affiliate, Sage Telecom, have offered telecommunications services since the late 1990s
- Licensed
 - Eligible Telecommunications Carrier ("ETC") in 16 states
 - Currently provides wireless Lifeline in CA and TX with over 250,000 customers
 - Has a pending application for ETC approval
 - Previously serviced Lifeline landline in 13 states
- Target Market:
 - Unbanked Customers
 - Spanish Speaking

Draft Lifeline Modernization Order

1. Minimum standards.
 - a. Too Aggressive- Proposal make free service impossible.
 - b. Extend Timetable-Allow timetable to adjust plans.
2. Voice service Is Extremely Valuable to Low-Income Consumers. Voice continues to be valued and critical to connecting low-income consumers. Most Lifeline customers do not use available “top up” options for data.
3. Consumer choice of Voice vs. Broadband vs. Mixed. The FCC should allow consumers to select broadband, voice or bundles with any combination that they consider valuable. The FCC should not dictate consumer needs.
4. Regulatory certainty. The FCC should not continue to delay licensing. TruConnect has been waiting over 2 years.

Mobile Voice and Broadband

- Broadband- TruConnect supports expanding the Lifeline program to include broadband services. Households should be able to choose plan that best meets their needs.
- Maximize Choice- The FCC should maximize consumer choice by continuing support for a voice-only Lifeline offerings.
- Voice Only Choice- Minimums should not be used to eliminate free voice service
 - Records make clear evidence that unlimited voice exceeds ETC costs
 - TruConnect offers unlimited voice only in CA, where an additional subsidy is provided by the state

Minimum Voice Requirements

- **Providing much more than 300 minutes would result in all costs exceeding \$9.25 per month, which would effectively eliminate carriers' ability to maintain a free (no-cost-to-consumer) Lifeline service offering**
- Unaffordable for Customer-Lifeline-eligible consumers have indicated that they would cancel their Lifeline service rather than being forced into a pay-only option that would strain their limited financial resources
- Unbanked Customers- Much of TruConnect's base is unbanked. It is not clear that they could make regular payments to receive plans with the FCC's proposed minimums
- **The FCC should extend the timetable for implementation of higher voice minimums to allow carriers to adjust programs**

Minimum Voice Requirements

- **The FCC should not step-down support for mobile voice services while preserving support for fixed/landline voice**
 - The FCC's proposal is neither technology neutral nor pro-consumer
 - Mobile voice service provides economic and social mobility
 - There is no record evidence that unlimited mobile voice costs less than the very limited local-only landline voice options available to consumers today
- **In TruConnect's experience, consumers preferred a mobile option to a fixed service**
 - Mobile services are portable, better suited to a transient population
 - Mobile services better meet the needs of persons in shelters and other temporary housing

Minimum Broadband Requirements

- The FCC's proposal for 500 MB of data would leave no room for voice service within the confines of the \$9.25 subsidy.
 - TruConnect's lowest cost data plan is \$10/month for 500 MB of data
 - Requiring carriers to offer a minimum of 500 MB of data would be difficult (and requiring a 1 GB or 2 GB offering would be impossible)
- TruConnect already offers unsupported broadband services that are beneficial to low-income consumers, including the Internet-on-the-Go WiFi hotspot monthly data options at \$25 for 1GB
- Some consumers will not want to receive broadband services from their Lifeline service provider and may prefer more voice/text service
 - May have access to broadband through other means (i.e. libraries, public hotspots)
 - May prefer to receive more voice/text minutes in lieu of broadband
- The FCC should extend the timetable for implementation of the mobile broadband 500 MB minimum standard until December 1, 2017

Other Key Proposals

- **Benefit Port Freeze** - The Commission should extend its benefit port freeze to 12 months in order to provide stability and certainty to providers that offer advanced equipment to subscribers.
- **Shot Clock for Regulatory Approvals** – The Commission should implement a 90-day shot clock for review and action on compliance plans, federal ETC petitions, audits and ETC transactions.
- Sage Telecom’s federal ETC petition has been pending for more than 2 years with little apparent movement
- **Non-Usage Rule** – With annual re-certifications and other protections, rule no longer serves a valuable purpose. FCC should eliminate this separate rule to focus on eligibility and verification

Prepaid Mobile Monthly Plans

Choose the Monthly Plan
that fits your budget!

How Does TruConnect Mobile Phone Data work?

Data Refills

Add Data Refills as you need them!

\$10/mo.
300 Units of Talk / Text

The data from your Monthly Plan expires after 30 days. Monthly Plan data is use it or lose it.

\$20/mo.
Unlimited Talk & Text

If you run out of data on your Monthly Plan, you can add a Data Refill to hold you over!

\$25/mo.
Unlimited Talk & Text
+ 100MB of Data

Data from a Data Refill expires in 30 days. But, if you add another Data Refill or Monthly Plan before the expiration, the unused data from your Data Refill will roll over to the next month.

\$35/mo.
Unlimited Talk & Text
+ 1GB of Data

Data from a Data Refill is only used after your Monthly Plan data runs out.

\$45/mo.
Unlimited Talk & Text
+ 2GB of Data

\$55/mo.
Unlimited Talk & Text
+ 4GB of Data

Monthly Plan features:

- Nationwide Coverage, Caller ID & Voicemail
- Monthly Plan talk, text and data expires after 30 days
- A one-time activation fee of \$39 will be charged to all new or transferred prepaid mobile phone accounts



truConnectTM



truconnect™

Wireless Data Device Refills

Why TruConnect?

\$5

200MB

\$10

500MB

\$15

1 GB

\$30

2 GB

\$40

3 GB

Buy Only What You Need

- Purchase your data for as little as \$5 (200MB) at a time!
- Don't waste your hard-earned money on data that you do not need.

Don't Lose Your Unused Data

- You can roll over your data month-to-month if you add another refill before your expiration date.

No Commitment

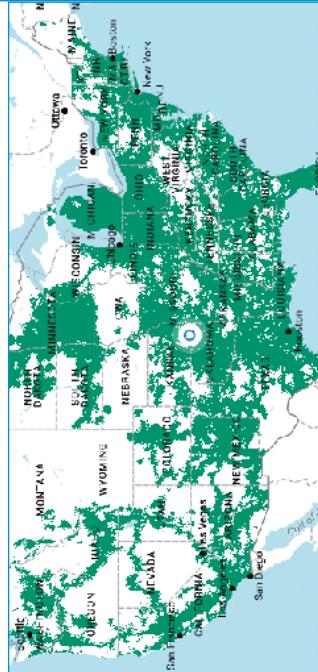
- There is no minimum contract and/or minimum purchase.
- Load data whenever you need it!

Nationwide Coverage

- TruConnect is a national provider of wireless voice, messaging and data services with coverage that reaches millions of Americans where they live, work and play. View our nationwide coverage map.

How To Use Data Refill Cards:

- Dial 844.638.7500 (or dial 611 if using a TruConnect mobile phone)
- Enter your TruConnect wireless data device number (if you don't know your device number, call 855.878.2666)
- Enter the PIN number when prompted and stay on the line to complete the refill



Service Terms & Conditions:

Visit truconnect.com for full terms and conditions or for information on service, coverage, device compatibility, and any applicable restrictions. Data speed is subject to device capabilities and coverage limitations. Copyright ©2015 TruConnect. All rights reserved.

Coverage
No Coverage

For Additional Information,

Call 855.878.2666

Or Visit www.truconnect.com

**High Speed
Wireless Data
Starting at \$5!**